Review Your Estate Plans in 2014

The start of a new year is always an occasion for new hope and great expectations, and that’s certainly true for the students, faculty and staff at DePaul. A new year should also be a time to set goals and make plans, and to review plans that have already been put in place, perhaps many years ago. Your will is a good example.

Some people have wills that were drafted 10 or 20 years ago (or longer), and without regular review and updating, such wills can sow confusion and expense for heirs. For example, some estate plans may need to be revised to reflect the $5.25 million estate tax exemption and other changes that took effect in 2013 (for 2014 the tax exemption is inflation-adjusted to $5.34 million). Here are 14 other events that may require a modification of your will:

- Marriage
- Birth of a child or grandchild
- A child reaches adulthood
- Divorce
- Death of a spouse
- Increase in investment values
- Receipt of gifts or inheritances
- Gifts or sales of assets mentioned in your will
- Death of a beneficiary named in your will
- Changes in the needs of your beneficiaries
- An executor or trustee dies, moves or becomes disabled
- Your move to a different state
- Purchase or sale of real estate
- Your decision to make additional bequests, such as a legacy to DePaul.

Our Office of Planned Giving is pleased to offer a comprehensive booklet, entitled Planning Your Bequests, that provides a wealth of information about estate planning. You can receive your free copy by simply returning the enclosed card or contacting our office at (312) 362-8268 or plannedgiving@depaul.edu.

Planned Giving At DePaul University

Membership in the Cortelyou Heritage Society (CHS) is open to all who provide support for DePaul in their estate plans.

Among the benefits CHS members enjoy are exclusive communications throughout the year, recognition in the annual report honor roll and invitations to special university events.

For more information about CHS or planned giving opportunities at DePaul, please contact:

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Generations

Leslie and Robert Shook: Supporting Theatre Excellence

Through their work, Robert and Leslie Shook have shaped the quality, reputation and vitality of The Theatre School at DePaul University. Now their philanthropy will help to ensure that the school remains a beacon of excellence for future generations of students.

Their bequest gift will help support the Michael Maggio Memorial Endowed Scholarship at The Theatre School, a one-year, merit-based scholarship for students enrolled in the MFA Directing program. The scholarship fund honors another pioneer of The Theatre School, the late Michael Maggio, the internationally renowned director who served as dean of The Theatre School from 1999 to 2000. During his one season as dean, before his life was cut short at 49 from complications of a double lung transplant that had saved his life a decade before, Maggio presented one of the most ambitious productions in its history with both parts of Angels in America.

“Michael was Bob’s best friend,” Leslie says, “and I absolutely adored him. He had an amazing creative vision, and his directing legacy was well established nationally before he came to DePaul. We wanted to pay tribute to him personally, but also to make sure that his creative spirit remained a part of DePaul.”

Robert Shook was a student at the legendary Goodman School of Drama, which became part of DePaul in 1978. At the time Bob was a student, Goodman was housed at the School of the Art Institute.

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Supporting Theatre... continued

He received a BFA in lighting in 1972. “The thing about Goodman,” he says, “was that we worked alongside theatre professionals in one of the largest resident theatres in the world.” After graduate work at Ohio University, he returned to teach at The Theatre School in 1978. Bob met and became friends with Michael Maggio through his work in Chicago’s burgeoning theatre scene. He has continued to be involved with the school as a teacher and collaborator through his lighting and theatre design firm, Schuler Shook.

Bob has spent a career in lighting and theatre design in venues around the world. His work encompasses architectural lighting design, with projects that include Millennium Park, the Chicago Board of Trade, the Water Tower in Chicago and the interior and exterior of the Art Institute.

Leslie Shook was founding head of The Theatre School’s BFA Theatre Management program. She is responsible for the front-of-the-house operations, educational outreach and subscriber services, and has developed audiences of more than 35,000 people annually at DePaul’s Merle Reskin Theatre for Chicago Playworks and The Theatre School.

“The very best thing about The Theatre School is the students—the quality of their work, their intelligence and their energy,” says Leslie, who has worked as theatre manager at the school since 1982. “One thing that has been constant throughout my 31 years here is the level of talent, the level of their training and their ability not only to excel in school, but to make professional careers in the theatre after they graduate.”

Their bequest gift is but one of many contributions to DePaul and The Theatre School that the Shooks have made over the years. Among them is a gift Leslie made to name a control room in the Theatre Building’s new thrust theatre as a gift to Bob for their 40th wedding anniversary. “We are always looking for ways to give back to The Theatre School,” she says. Leslie is also a member of the DePaul Faculty-Staff Giving Committee.

Looking back on his beginnings at the Goodman School to today’s Theatre School, Bob, like Leslie, thinks the fundamentals have remained much the same. “In essence, I don’t think the experience has changed that much,” he says. “It is still an immersive, hands-on education, working with professionals in the field and working very hard to put on the highest quality professional productions.”

“Unusual Assets Could Make Great Year-End Gifts to DePaul

As you or your advisors are considering year-end plans, remember these six assets that you may wish to consider gifting to DePaul:

1. Do you own mutual funds? Giving highly appreciated securities of all kinds enables donors to deduct not just their original cost, but also any “paper profit” if shares are owned more than one year.
2. U.S. saving bonds often lie forgotten in a desk drawer or safe deposit box. But bonds can be cashed and the proceeds contributed to DePaul. Charitable deductions should offset tax on any accumulated interest.
3. Call our office before you sell business interests or real estate. Giving the University a “slice” of these assets before the sale can save significant taxes.
4. Some alumni and other friends have old life insurance policies that are no longer needed to protect a young family or pay estate taxes. You can redelegate these surplus policies to “insuring” DePaul’s future...with excellent tax results.
5. Business owners have the ability to contribute stock in their corporations. Such gifts can produce significant deductions, but they require careful planning.
6. Direct IRA gifts offer a unique opportunity for IRA owners over 70-1/2 to benefit DePaul and reduce taxable income, even if they cannot itemize their deductions. Be sure to contact our office before taking your 2013 required minimum distribution.

Coping with Investment Tax Law Changes

The paradox that “nothing is more constant than change” certainly applies to tax laws. Capital gains taxes went up in 2013 from 15 percent to 20 percent for those in the 39.6 percent tax bracket, and the Affordable Care Act added a new 3.8 percent net investment income tax that applies to the sale of stocks at a profit, interest, dividends, rents and royalties if your income is over $200,000 (singles) or $250,000 (married couples filing jointly).

The combination of the new 20 percent rate on dividends and capital gains, plus the 3.8 percent Medicare surtax, adds up to a tax rate on investment profits of 23.8 percent for high-income taxpayers. But alumni and other friends who are subject to these taxes can minimize tax liabilities with well-planned contributions, such as gifts of securities and life income gift arrangements.

Take the case of Amanda, a successful executive who bought Facebook stock when it was selling in the low $20s. Now the stock has doubled in value, and she has decided to give shares worth $10,000 to DePaul. Amanda can deduct $10,000, which will save $3,960 in income taxes in her 39.6 percent tax bracket. She also will avoid taxes on her $5,000 profit in the stock, including 20 percent capital gains taxes ($1,000) plus 3.8 percent net investment income tax ($190). Her overall tax savings add up by $5,150, meaning that a generous $10,000 gift to DePaul costs Amanda only $4,850 after taxes.

High-income donors may find charitable remainder unitrusts attractive for their ability to liquidate stocks or real estate without increasing their exposure to the 20 percent capital gains tax and the 3.8 percent surtax while providing them with a good income for life. Charitable gift annuities can offer similar savings, and charitable deductions are an added bonus.

“Coping with Investment Tax Law Changes”

“The vast majority of students now at The Theatre School need some form of scholarship to attend and to really grow creatively and professionally.”

For both Bob and Leslie, their giving also is motivated by a simple, pay-it-forward ethos. “When I was a student, I was on scholarship,” Bob says. “The vast majority of students now at The Theatre School need some form of scholarship to attend and to really grow creatively and professionally. Someone before me thought enough of the school and the students to support my education. I think it’s only appropriate that we carry it forward.”